

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1710
96TH GENERAL ASSEMBLY

5506L.03C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 100.293, 135.284, 135.800, 178.760, 178.761, 178.762, 178.763, 178.764, 178.892, 178.893, 178.894, 178.895, 178.896, 620.470, 620.472, 620.474, 620.475, 620.476, 620.478, 620.479, 620.480, 620.481, 620.482, 620.1881, and 620.1910, RSMo, and to enact in lieu thereof nine new sections relating to job training programs.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 100.293, 135.284, 135.800, 178.760, 178.761, 178.762, 178.763, 178.764, 178.892, 178.893, 178.894, 178.895, 178.896, 620.470, 620.472, 620.474, 620.475, 620.476, 620.478, 620.479, 620.480, 620.481, 620.482, 620.1881, and 620.1910, RSMo, are repealed and nine new sections enacted in lieu thereof, to be known as sections 100.293, 135.284, 135.800, 620.800, 620.803, 620.806, 620.809, 620.1881, and 620.1910, to read as follows:

100.293. 1. This section, section 100.277, **and** sections 135.950 to 135.973[, and sections 178.760 to 178.764] shall be known and may be cited as the "Jobs Now Act".

2. There shall be created a "Jobs Now Recommendation Committee", comprised of representatives of the department of economic development, the department of agriculture, the department of natural resources, and the department of transportation. The committee shall establish application materials and procedures for development agencies to apply to the board for grants or low-interest or interest-free loans for the purpose of funding jobs now projects.

3. Applications shall be submitted simultaneously to the committee and the board. The committee shall review the applications and prepare and submit analyses and recommendations to the board for a determination as to approval or denial of grants or loans from the jobs now fund.

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

12 4. In reviewing applications, the board shall give preference to redevelopment projects
13 that protect natural resources or rehabilitate existing dilapidated or inadequate infrastructure in
14 areas defined under section 135.530.

15 5. After reviewing applications and such other information as the board may require, the
16 board may grant all or a part of a grant or loan request, provided the board determines:

17 (1) The jobs now project:

18 (a) Will not happen without the grant or loan from the board; or

19 (b) Will have a significant local economic impact; or

20 (c) Demonstrates high levels of job creation;

21 (2) In the case of a low-interest or interest-free loan, the jobs now project will generate
22 sufficient revenues or the borrower will otherwise have sufficient revenues available to enable
23 the borrower to repay the loan to the jobs now fund, along with any interest to be charged; and

24 (3) No loan or grant may exceed two million dollars.

 135.284. 1. The repeal and reenactment of sections 100.710[,] **and** 100.840, [and
2 178.892,] and the enactment of sections 135.276, 135.277, 135.279, 135.281, and 135.283 shall
3 expire on January 1, 2006, if no essential industry retention projects have been approved by the
4 department of economic development by December 31, 2005. If an essential industry retention
5 project has been approved by the department of economic development by December 31, 2005,
6 the repeal and reenactment of sections 100.710[,] **and** 100.840, [and 178.892,] and the enactment
7 of sections 135.276, 135.277, 135.279, 135.281, and 135.283 shall expire on January 1, 2020.

8 2. Notwithstanding any other provision of law to the contrary, the time for approval of
9 essential industry retention projects as identified in subsection 1 of this section is extended until
10 December 31, 2007, and if an essential industry retention project has been approved by the
11 department of economic development by December 31, 2007, the provisions of subsection 1 of
12 this section shall expire on January 1, 2020.

 135.800. 1. The provisions of sections 135.800 to 135.830 shall be known and may be
2 cited as the "Tax Credit Accountability Act of 2004".

3 2. As used in sections 135.800 to 135.830, the following terms mean:

4 (1) "Administering agency", the state agency or department charged with administering
5 a particular tax credit program, as set forth by the program's enacting statute; where no
6 department or agency is set forth, the department of revenue;

7 (2) "Agricultural tax credits", the agricultural product utilization contributor tax credit
8 created pursuant to section 348.430, the new generation cooperative incentive tax credit created
9 pursuant to section 348.432, the family farm breeding livestock loan tax credit created under
10 section 348.505, the qualified beef tax credit created under section 135.679, and the wine and
11 grape production tax credit created pursuant to section 135.700;

12 (3) "All tax credit programs", or "any tax credit program", the tax credit programs
13 included in the definitions of agricultural tax credits, business recruitment tax credits, community
14 development tax credits, domestic and social tax credits, entrepreneurial tax credits,
15 environmental tax credits, financial and insurance tax credits, housing tax credits, redevelopment
16 tax credits, and training and educational tax credits;

17 (4) "Business recruitment tax credits", the business facility tax credit created pursuant
18 to sections 135.110 to 135.150 and section 135.258, the enterprise zone tax benefits created
19 pursuant to sections 135.200 to 135.270, the business use incentives for large-scale development
20 programs created pursuant to sections 100.700 to 100.850, the development tax credits created
21 pursuant to sections 32.100 to 32.125, the rebuilding communities tax credit created pursuant
22 to section 135.535, the film production tax credit created pursuant to section 135.750, the
23 enhanced enterprise zone created pursuant to sections 135.950 to 135.975, and the Missouri
24 quality jobs program created pursuant to sections 620.1875 to 620.1900;

25 (5) "Community development tax credits", the neighborhood assistance tax credit created
26 pursuant to sections 32.100 to 32.125, the family development account tax credit created
27 pursuant to sections 208.750 to 208.775, the dry fire hydrant tax credit created pursuant to
28 section 320.093, and the transportation development tax credit created pursuant to section
29 135.545;

30 (6) "Domestic and social tax credits", the youth opportunities tax credit created pursuant
31 to section 135.460 and sections 620.1100 to 620.1103, the shelter for victims of domestic
32 violence created pursuant to section 135.550, the senior citizen or disabled person property tax
33 credit created pursuant to sections 135.010 to 135.035, the special needs adoption tax credit and
34 children in crisis tax credit created pursuant to sections 135.325 to 135.339, the maternity home
35 tax credit created pursuant to section 135.600, the surviving spouse tax credit created pursuant
36 to section 135.090, the residential treatment agency tax credit created pursuant to section
37 135.1150, the pregnancy resource center tax credit created pursuant to section 135.630, the food
38 pantry tax credit created pursuant to section 135.647, the health care access fund tax credit
39 created pursuant to section 135.575, the residential dwelling access tax credit created pursuant
40 to section 135.562, and the shared care tax credit created pursuant to section 660.055;

41 (7) "Entrepreneurial tax credits", the capital tax credit created pursuant to sections
42 135.400 to 135.429, the certified capital company tax credit created pursuant to sections 135.500
43 to 135.529, the seed capital tax credit created pursuant to sections 348.300 to 348.318, the new
44 enterprise creation tax credit created pursuant to sections 620.635 to 620.653, the research tax
45 credit created pursuant to section 620.1039, the small business incubator tax credit created
46 pursuant to section 620.495, the guarantee fee tax credit created pursuant to section 135.766, and
47 the new generation cooperative tax credit created pursuant to sections 32.105 to 32.125;

48 (8) "Environmental tax credits", the charcoal producer tax credit created pursuant to
49 section 135.313, the wood energy tax credit created pursuant to sections 135.300 to 135.311, and
50 the alternative fuel stations tax credit created pursuant to section 135.710;

51 (9) "Financial and insurance tax credits", the bank franchise tax credit created pursuant
52 to section 148.030, the bank tax credit for S corporations created pursuant to section 143.471,
53 the exam fee tax credit created pursuant to section 148.400, the health insurance pool tax credit
54 created pursuant to section 376.975, the life and health insurance guaranty tax credit created
55 pursuant to section 376.745, the property and casualty guaranty tax credit created pursuant to
56 section 375.774, and the self-employed health insurance tax credit created pursuant to section
57 143.119;

58 (10) "Housing tax credits", the neighborhood preservation tax credit created pursuant to
59 sections 135.475 to 135.487, the low-income housing tax credit created pursuant to sections
60 135.350 to 135.363, and the affordable housing tax credit created pursuant to sections 32.105 to
61 32.125;

62 (11) "Recipient", the individual or entity who is the original applicant for and who
63 receives proceeds from a tax credit program directly from the administering agency, the person
64 or entity responsible for the reporting requirements established in section 135.805;

65 (12) "Redevelopment tax credits", the historic preservation tax credit created pursuant
66 to sections 253.545 to 253.561, the brownfield redevelopment program tax credit created
67 pursuant to sections 447.700 to 447.718, the community development corporations tax credit
68 created pursuant to sections 135.400 to 135.430, the infrastructure tax credit created pursuant to
69 subsection 6 of section 100.286, the bond guarantee tax credit created pursuant to section
70 100.297, the disabled access tax credit created pursuant to section 135.490, the new markets tax
71 credit created pursuant to section 135.680, and the distressed areas land assemblage tax credit
72 created pursuant to section 99.1205;

73 (13) "Training and educational tax credits", the [community college] **Missouri works**
74 new jobs tax credit **and Missouri works retained jobs credit** created pursuant to sections
75 [178.892 to 178.896] **620.800 to 620.809**.

620.800. The following additional terms used in sections 620.800 to 620.809 shall
2 **mean:**

3 (1) "Agreement", the agreement between a qualified company, a community college
4 district, and the department concerning a training project. Any such agreement shall
5 comply with the provisions of section 620.017;

6 (2) "Board of trustees", the board of trustees of a community college district
7 established under the provisions of chapter 178;

8 (3) "Certificate", new or retained jobs training certificates issued under section
9 **620.809;**

10 (4) "Committee", the Missouri works job training joint legislative oversight
11 committee, established under the provisions of section 620.803;

12 (5) "Department", the Missouri department of economic development;

13 (6) "Employee", a person employed by a qualified company;

14 (7) "Full-time employee", an employee of the qualified company that is scheduled
15 to work an average of at least thirty-five hours per week for a twelve-month period, and
16 one for which the qualified company offers health insurance and pays at least fifty percent
17 of such insurance premiums;

18 (8) "Local education agency", a community college, two-year state technical college,
19 or a technical career education center;

20 (9) "Missouri works training program", the training program established under
21 sections 620.800 to 620.809;

22 (10) "New capital investment", shall include costs incurred by the qualified
23 company at the project facility after acceptance by the qualified company of the proposal
24 for benefits from the department or the approval of the notice of intent, whichever occurs
25 first, for real or personal property, and may include the value of finance or capital leases
26 for real or personal property for the term of such lease at the project facility executed after
27 acceptance by the qualified company of the proposal for benefits from the department or
28 approval of the notice of intent;

29 (11) "New job", the number of full-time employees located at the project facility
30 that exceeds the project facility base employment less any decrease in the number of
31 full-time employees at related facilities below the related facility base employment. No job
32 that was created prior to the date of the notice of intent shall be deemed a new job. An
33 employee that spends less than fifty percent of the employee's work time at the facility is
34 still considered to be located at a facility if the employee receives his or her directions and
35 control from that facility, is on the facility's payroll, one hundred percent of the employee's
36 income from such employment is Missouri income, and the employee is paid at or above
37 the applicable percentage of the county average wage;

38 (12) "New jobs credit", the credit from withholding remitted by a qualified
39 company provided under subsection 6 of section 620.809;

40 (13) "Notice of intent", a form developed by the department, completed by the
41 qualified company and submitted to the department which states the qualified company's
42 intent to request benefits under this program;

43 (14) "Project facility", the building or buildings used by a qualified company at
44 which new or retained jobs and any new capital investment are or will be located. A
45 project facility may include separate buildings located within sixty miles of each other such
46 that their purpose and operations are interrelated; provided, that where the buildings
47 making up the project facility are not located within the same county, the average wage of
48 the new payroll must exceed the applicable percentage of the highest county average wage
49 among the counties in which the buildings are located. Upon approval by the department,
50 a subsequent project facility may be designated if the qualified company demonstrates a
51 need to relocate to the subsequent project facility at any time during the project period;

52 (15) "Project facility base employment", the greater of the number of full-time
53 employees located at the project facility on the date of the notice of intent or, for the
54 twelve-month period prior to the date of the notice of intent, the average number of
55 full-time employees located at the project facility. In the event the project facility has not
56 been in operation for a full twelve-month period, the average number of full-time
57 employees for the number of months the project facility has been in operation prior to the
58 date of the notice of intent;

59 (16) "Qualified company", a firm, partnership, joint venture, association, private
60 or public corporation whether organized for profit or not, or headquarters of such entity
61 registered to do business in Missouri that is the owner or operator of a project facility,
62 offers health insurance to all full-time employees of all facilities located in this state, and
63 pays at least fifty percent of such insurance premiums. For the purposes of sections
64 620.800 to 620.809, the term "qualified company" shall not include:

65 (a) Gambling establishments (NAICS industry group 7132);

66 (b) Retail trade establishments (NAICS sectors 44 and 45), except with respect to
67 any company headquartered in this state with a majority of its full-time employees engaged
68 in operations not within the NAICS codes specified in this subdivision;

69 (c) Food and drinking places (NAICS subsector 722);

70 (d) Public utilities (NAICS 221 including water and sewer services);

71 (e) Any company that is delinquent in the payment of any nonprotested taxes or
72 any other amounts due the state or federal government or any other political subdivision
73 of this state;

74 (f) Any company requesting benefits for retained jobs that has filed for or has
75 publicly announced its intention to file for bankruptcy protection. However, a company
76 that has filed for or has publicly announced its intention to file for bankruptcy, may be a
77 qualified company provided that such company:

78 a. Certifies to the department that it plans to reorganize and not to liquidate; and

b. After its bankruptcy petition has been filed, it produces proof, in a form and at times satisfactory to the department, that it is not delinquent in filing any tax returns or making any payment due to the state of Missouri, including but not limited to all tax payments due after the filing of the bankruptcy petition and under the terms of the plan of reorganization.

Any taxpayer who is awarded benefits under sections 620.800 to 620.809 and who files for bankruptcy under Chapter 7 of the United States Bankruptcy Code, Title 11 U.S.C., as amended shall immediately notify the department and shall forfeit such benefits and shall repay the state an amount equal to any state tax credits already redeemed and any withholding taxes already retained;

(g) Educational services (NAICS sector 61);

(h) Religious organizations (NAICS industry group 8131);

(i) Public administration (NAICS sector 92);

(j) Ethanol distillation or production; or

(k) Biodiesel production.

Notwithstanding any provision of this section to the contrary, the headquarters, administrative offices, or research and development facilities of an otherwise excluded business may qualify for benefits if the offices or facilities serve a multistate territory. In the event a national, state, or regional headquarters operation is not the predominant activity of a project facility, the jobs and investment of such operation shall be considered eligible for benefits under this section if the other requirements are satisfied;

(17) "Related company":

(a) A corporation, partnership, trust, or association controlled by the qualified company;

(b) An individual, corporation, partnership, trust, or association in control of the qualified company; or

(c) Corporations, partnerships, trusts, or associations controlled by an individual, corporation, partnership, trust, or association in control of the qualified company. As used in this subdivision, "control of a corporation" shall mean ownership, directly or indirectly, of stock possessing at least fifty percent of the total combined voting power of all classes of stock entitled to vote, "control of a partnership or association" shall mean ownership of at least fifty percent of the capital or profits interest in such partnership or association, "control of a trust" shall mean ownership, directly or indirectly, of at least fifty percent

of the beneficial interest in the principal or income of such trust, and ownership shall be determined as provided in Section 318 of the Internal Revenue Code of 1986, as amended;

(18) "Related facility", a facility operated by the qualified company or a related company located in this state that is directly related to the operations of the project facility or in which operations substantially similar to the operations of the project facility are performed;

(19) "Related facility base employment", the greater of the number of full-time employees located at all related facilities on the date of the notice of intent or, for the twelve-month period prior to the date of the notice of intent, the average number of full-time employees located at all related facilities of the qualified company or a related company located in this state;

(20) "Retained job", the average number of full-time employees of a qualified company located at the project facility during each month for the calendar year preceding the year in which the notice of intent is submitted;

(21) "Retained jobs credit", the credit from withholding remitted by a qualified company provided under subsection 6 of section 620.809;

(22) "Targeted industry", an industry or one of a cluster of industries identified by the department by rule following a strategic planning process as being critical to the state's economic security and growth;

(23) "Training program", the Missouri works training program established under sections 620.800 to 620.809;

(24) "Training project", the project or projects established through the Missouri works training program for the creation or retention of jobs by providing education and training of workers;

(25) "Training project costs", all necessary and incidental costs of providing program services through the training program, including:

(a) Training materials and supplies;

(b) Wages and benefits of instructors, who may or may not be employed by the eligible industry, and the cost of training such instructors;

(c) Subcontracted services;

(d) On-the-job training;

(e) Training facilities and equipment;

(f) Skill assessment;

(g) Training project and curriculum development;

- 148 (h) Travel directly to the training project, including a coordinated transportation
149 program for trainings if the training can be more effectively provided outside the
150 community where the jobs are to be located;
- 151 (i) Payments to third-party training providers and to the eligible industry;
- 152 (j) Teaching and assistance provided by educational institutions in the state of
153 Missouri;
- 154 (k) In-plant training analysis, including fees for professionals and necessary travel
155 and expenses;
- 156 (l) Assessment and preselection tools;
- 157 (m) Publicity;
- 158 (n) Instructional services;
- 159 (o) Rental of instructional facilities with necessary utilities; and
- 160 (p) Payment of the principal, premium, and interest on certificates, including
161 capitalized interest, issued to finance a project, and the funding and maintenance of a debt
162 service reserve fund to secure such certificates;
- 163 (26) "Training project services", includes, but shall not be limited to, the following:
- 164 (a) Job training, which may include, but not be limited to, preemployment training,
165 analysis of the specified training needs for a qualified company, development of training
166 plans, and provision of training through qualified training staff;
- 167 (b) Adult basic education and job-related instruction;
- 168 (c) Vocational and skill-assessment services and testing;
- 169 (d) Training facilities, equipment, materials, and supplies;
- 170 (e) On-the-job training;
- 171 (f) Administrative expenses equal to fifteen percent of the total training costs;
- 172 (g) Subcontracted services with state institutions of higher education, private
173 colleges or universities, or other federal, state, or local agencies;
- 174 (h) Contracted or professional services; and
- 175 (i) Issuance of certificates, when applicable.

620.803. 1. The department shall establish a "Missouri Works Training Program"
2 to assist qualified companies for the training of employees in new jobs and the retraining
3 or upgrading of skills of full-time employees in retained jobs as provided in sections
4 620.800 to 620.809. The training program shall be funded through appropriations to the
5 funds established under sections 620.806 and 620.809. The department shall, to the
6 maximum extent practicable, prioritize funding under the training program to assist
7 qualified companies in targeted industries.

8 **2. There is hereby created the "Missouri Works Job Training Joint Legislative**
9 **Oversight Committee". The committee shall consist of three members of the Missouri**
10 **senate appointed by the president pro tem of the senate; and three members of the house**
11 **of representatives appointed by the speaker of the house. No more than two of the members**
12 **of the senate and two of the members of the house of representatives shall be from the same**
13 **political party. Members of the committee shall report to the governor, the president pro**
14 **tem of the senate, and the speaker of the house of representatives on all assistance to**
15 **industries under the provisions of sections 620.800 to 620.809 provided during the**
16 **preceding fiscal year. The report of the committee shall be delivered no later than October**
17 **first of each year. The director of the department shall report to the committee such**
18 **information as the committee may deem necessary for its annual report. Members of the**
19 **committee shall receive no compensation in addition to their salary as members of the**
20 **general assembly, but may receive their necessary expenses while attending the meetings**
21 **of the committee, to be paid out of the joint contingent fund.**

22 **3. The department shall publish guidelines and may promulgate rules and**
23 **regulations governing the training program. Any rule or portion of a rule, as that term is**
24 **defined in section 536.010, that is created under the authority delegated in this section shall**
25 **become effective only if it complies with and is subject to all of the provisions of chapter**
26 **536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and**
27 **if any of the powers vested with the general assembly pursuant to chapter 536 to review,**
28 **to delay the effective date, or to disapprove and annul a rule are subsequently held**
29 **unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted**
30 **after August 28, 2012, shall be invalid and void.**

31 **4. The department shall make program applications and guidelines available**
32 **online.**

33 **5. The department may contract with other entities for the purposes of carrying out**
34 **the provisions of the training program established in sections 620.800 to 620.809. Any**
35 **assistance through the training program shall be provided under an agreement.**

36 **6. Prior to the authorization of any application submitted through the training**
37 **program, the department shall verify the applicant's tax payment status and offset any**
38 **delinquencies as provided in section 135.815.**

620.806. 1. The Missouri job development fund, formerly established in the state
2 **treasury by section 620.478, shall now be known as the "Missouri Works Job Development**
3 **Fund" and shall be administered by the department for the training program. The fund**
4 **shall consist of all moneys which may be appropriated to it by the general assembly and**
5 **also any gifts, contributions, grants, or bequests received from federal, private or other**

6 sources, including, but not limited to, any block grant or other sources of funding relating
7 to job training, school-to-work transition, welfare reform, vocational and technical
8 training, housing, infrastructure, development, and human resource investment programs
9 which may be provided by the federal government or other sources.

10 2. The department may provide financial assistance through the training program
11 to qualified companies that create new jobs which will result in the need for training, or
12 that make new capital investment relating directly to the retention of retained jobs in an
13 amount at least five times greater than the amount of any financial assistance. Financial
14 assistance may also be provided to a consortium of qualified companies organized for the
15 purpose of providing for common training to the consortium members' employees. Funds
16 in the Missouri works job development fund shall be appropriated, for financial assistance
17 through the training program, by the general assembly to the department and shall be
18 administered by a local educational agency certified by the department for such purpose.
19 Except for state-sponsored preemployment training, no qualified company shall receive
20 more than fifty percent of its training program costs from the Missouri works job
21 development fund. No funds shall be awarded or reimbursed to any qualified company
22 for the training, retraining, or upgrading of skills of potential employees with the purpose
23 of replacing or supplanting employees engaged in an authorized work stoppage. Upon
24 approval by the department, training project costs, except the purchase of training
25 equipment and training facilities, shall be eligible for reimbursement with funds from the
26 Missouri works job development fund. Notwithstanding any provision of law to the
27 contrary, no qualified company within a service industry shall be eligible for assistance
28 under this subsection unless such qualified company provides services in interstate
29 commerce, which shall mean that the qualified company derives a majority of its annual
30 revenues from out of the state.

31 3. The department may provide assistance, through appropriations made from the
32 Missouri works job development fund, to business and technology centers. Such assistance
33 shall not include the lending of the state's credit for the payment of any liability of the
34 fund. Such centers may be established by Missouri community colleges, or a state-owned
35 postsecondary technical college, to provide business and training services for growth
36 industries as determined by current labor market information.

620.809. 1. The Missouri community college job training program fund, formerly
2 established in the state treasury by section 178.896, shall now be known as the "Missouri
3 Works Community College New Jobs Training Fund", and shall be administered by the
4 department for the training program. The department of revenue shall credit to the fund,
5 as received, all new jobs credits. The fund shall also consist of any gifts, contributions,

6 grants, or bequests received from federal, private, or other sources. The general assembly,
7 however, shall not provide for any transfer of general revenue funds into the fund. Moneys
8 in the fund shall be disbursed to the department under regular appropriations by the
9 general assembly. The department shall disburse such appropriated funds in a timely
10 manner into the special funds established by community college districts for training
11 projects, which funds shall be used to pay training project costs. Such disbursements shall
12 be made to the special fund for each training project in the same proportion as the new
13 jobs credit remitted by the qualified company participating in such project bears to the
14 total new jobs credit from withholding remitted by all qualified companies participating
15 in projects during the period for which the disbursement is made. All moneys remaining
16 in the fund at the end of any fiscal year shall not lapse to the general revenue fund, as
17 provided in section 33.080, but shall remain in the fund.

18 2. The Missouri community college job retention training program fund, formerly
19 established in the state treasury by section 178.764, shall now be known as the "Missouri
20 Works Community College Job Retention Training Fund", and shall be administered by
21 the department for the Missouri works training program. The department of revenue shall
22 credit to the fund, as received, all retained jobs credits. The fund shall also consist of any
23 gifts, contributions, grants, or bequests received from federal, private, or other sources.
24 The general assembly, however, shall not provide for any transfer of general revenue funds
25 into the fund. Moneys in the fund shall be disbursed to the department under regular
26 appropriations by the general assembly. The department shall disburse such appropriated
27 funds in a timely manner into the special funds established by community college districts
28 for projects, which funds shall be used to pay training program costs, including the
29 principal, premium, and interest on certificates issued by the district to finance or
30 refinance, in whole or in part, a project. Such disbursements by the department shall be
31 made to the special fund for each project in the same proportion as the retained jobs credit
32 from withholding remitted by the qualified company participating in such project bears
33 to the total retained jobs credit from withholding remitted by qualified companies
34 participating in projects during the period for which the disbursement is made. All
35 moneys remaining in the fund at the end of any fiscal year shall not lapse to the general
36 revenue fund, as provided in section 33.080, but shall remain in the fund.

37 3. The department of revenue shall develop such forms as are necessary to
38 demonstrate accurately each qualified company's new jobs credit paid into the Missouri
39 works community college new jobs training fund or retained jobs credit paid into the
40 Missouri works community college job retention training fund. The new or retained jobs
41 credits shall be accounted as separate from the normal withholding tax paid to the

42 department of revenue by the qualified company. Reimbursements made by all qualified
43 companies to the Missouri works community college new jobs training fund and the
44 Missouri works community college job retention training fund shall be no less than all
45 allocations made by the department to all community college districts for all projects. The
46 qualified company shall remit the amount of the new or retained jobs credit, as applicable,
47 to the department of revenue in the same manner as provided in sections 143.191 to
48 143.265.

49 4. A community college district, with the approval of the department in
50 consultation with the office of administration, may enter into an agreement to establish a
51 training project and provide training project services to a qualified company. As soon as
52 possible after initial contact between a community college district and a potential qualified
53 company regarding the possibility of entering into an agreement, the district shall inform
54 the department of the potential training project. The department shall evaluate the
55 proposed training project within the overall job training efforts of the state to ensure that
56 the training project will not duplicate other job training programs. The department shall
57 have fourteen days from receipt of a notice of intent to approve or disapprove training
58 projects. If no response is received by the qualified company within fourteen days, the
59 training project shall be deemed approved. Disapproval of any training project shall be
60 made in writing and state the reasons for such disapproval. If an agreement is entered
61 into, the district and the qualified company shall notify the department of revenue within
62 fifteen calendar days. In addition to any provisions required under subsection 5 of this
63 section for a qualified company applying to receive a retained job credit, an agreement
64 may provide, but shall not be limited to:

65 (1) Payment of training project costs, which may be paid from one or a combination
66 of the following sources:

67 (a) Funds appropriated by the general assembly to the Missouri works community
68 college new jobs training program fund or Missouri works community college job retention
69 training program fund, as applicable, and disbursed by the department for the purposes
70 consistent with sections 620.800 to 620.809;

71 (b) Tuition, student fees, or special charges fixed by the board of trustees to defray
72 training project costs in whole or in part;

73 (2) Payment of training project costs shall not be deferred for a period longer than
74 eight years;

75 (3) Costs of on-the-job training for employees shall include wages or salaries of
76 participating employees. Payments for on-the-job training shall not exceed the average of
77 fifty percent of the total wages paid by the qualified company to each participant during

78 the period of training. Payment for on-the-job training may continue for up to six months
79 from the date the training begins;

80 (4) A provision which fixes the minimum amount of new or retained jobs credits,
81 or tuition and fee payments which shall be paid for training project costs;

82 (5) Any payment required to be made by a qualified company shall constitute a lien
83 upon the qualified company's business property until paid and have equal priority with
84 ordinary taxes and shall not be divested by a judicial sale. Property subject to such lien
85 may be sold for sums due and delinquent at a tax sale, with the same forfeitures, penalties,
86 and consequences as for the nonpayment of ordinary taxes. The purchasers at tax sale
87 shall obtain the property subject to the remaining payments.

88 5. Any qualified company that submits a notice of intent for retained job credits
89 shall enter into an agreement providing that the qualified company has:

90 (1) Maintained at least one hundred full-time employees per year at the project
91 facility for the calendar year preceding the year in which the application is made;

92 (2) Retained, at the project facility, the same number of employees that existed in
93 the taxable year immediately preceding the year in which application is made; and

94 (3) Made or agrees to make a new capital investment of greater than five times the
95 amount of any award under this training program at the project facility over a period of
96 two consecutive calendar years, as certified by the qualified company and:

97 (a) Has made substantial investment in new technology requiring the upgrading
98 of employee skills; or

99 (b) Is located in a border county of the state and represents a potential risk of
100 relocation from the state; or

101 (c) Has been determined to represent a substantial risk of relocation from the state
102 by the director of the department of economic development.

103 6. If an agreement provides that all or part of training program costs are to be met
104 by receipt of new or retained jobs credit, such new or retained jobs credit from
105 withholding shall be determined and paid as follows:

106 (1) New or retained jobs credit shall be based upon the wages paid to the employees
107 in the new or retained jobs;

108 (2) A portion of the total payments made by the qualified companies under sections
109 143.191 to 143.265 shall be designated as the new or retained jobs credit from withholding.
110 Such portion shall be an amount equal to two and one-half percent of the gross wages paid
111 by the qualified company for each of the first one hundred jobs included in the project and
112 one and one-half percent of the gross wages paid by the qualified company for each of the
113 remaining jobs included in the project. If business or employment conditions cause the

amount of the new or retained jobs credit from withholding to be less than the amount projected in the agreement for any time period, then other withholding tax paid by the qualified company under sections 143.191 to 143.265 shall be credited to the applicable fund by the amount of such difference. The qualified company shall remit the amount of the new or retained jobs credit to the department of revenue in the manner prescribed in sections 143.191 to 143.265. When all training program costs have been paid, the new or retained jobs credits shall cease;

(3) The community college district participating in a project shall establish a special fund for and in the name of the training project. All funds appropriated by the general assembly from the funds established under subsections 1 and 2 of this section, and disbursed by the department for the training project and other amounts received by the district for training project costs as required by the agreement shall be deposited in the special fund. Amounts held in the special fund shall be used and disbursed by the district only to pay training project costs for such training project. The special fund may be divided into such accounts and subaccounts as shall be provided in the agreement, and amounts held therein may be invested in the same manner as the district's other funds;

(4) Any disbursement for training project costs, received from the department under sections 620.800 to 620.809 and placed into the training project's special fund may be irrevocably pledged by a community college district for the payment of the principal, premium, and interest on the certificate issued by a community college district to finance or refinance, in whole or in part, such training project;

(5) The qualified company shall certify to the department of revenue that the new or retained jobs credit is in accordance with an agreement and shall provide other information the department of revenue may require;

(6) An employee participating in a training project shall receive full credit under section 143.211, for the amount designated as a new or retained jobs credit;

(7) If an agreement provides that all or part of training program costs are to be met by receipt of new or retained jobs credit, the provisions of this subsection shall also apply to any successor to the original qualified company until such time as the principal and interest on the certificates have been paid.

7. To provide funds for the present payment of the training project costs of new or retained jobs training project through the training program, a community college district may borrow money and issue and sell certificates payable from a sufficient portion of the future receipts of payments authorized by the agreement including disbursements from the Missouri works community college new jobs training fund or the Missouri works community college job retention training fund, to the special fund established by the

district for each project. The total amount of outstanding certificates sold by all community college districts shall not exceed the total amount authorized under law as of January 1, 2012, unless an increased amount is authorized in writing by a majority of members of the committee. The certificates shall be marketed through financial institutions authorized to do business in Missouri. The receipts shall be pledged to the payment of principal of and interest on the certificates. Certificates may be sold at public sale or at private sale at par, premium, or discount of not less than ninety-five percent of the par value thereof, at the discretion of the board of trustees, and may bear interest at such rate or rates as the board of trustees shall determine, notwithstanding the provisions of section 108.170 to the contrary. However, the provisions of chapter 176 shall not apply to the issuance of such certificates. Certificates may be issued with respect to a single project or multiple projects and may contain terms or conditions as the board of trustees may provide by resolution authorizing the issuance of the certificates.

8. Certificates issued to refund other certificates may be sold at public sale or at private sale as provided in this section with the proceeds from the sale to be used for the payment of the certificates being refunded. The refunding certificates may be exchanged in payment and discharge of the certificates being refunded, in installments at different times or an entire issue or series at one time. Refunding certificates may be sold or exchanged at any time on, before, or after the maturity of the outstanding certificates to be refunded. They may be issued for the purpose of refunding a like, greater, or lesser principal amount of certificates and may bear a higher, lower, or equivalent rate of interest than the certificates being renewed or refunded.

9. Before certificates are issued, the board of trustees shall publish once a notice of its intention to issue the certificates, stating the amount, the purpose, and the project or projects for which the certificates are to be issued. A person with standing may, within fifteen days after the publication of the notice, by action in the circuit court of a county in the district, appeal the decision of the board of trustees to issue the certificates. The action of the board of trustees in determining to issue the certificates shall be final and conclusive unless the circuit court finds that the board of trustees has exceeded its legal authority. An action shall not be brought which questions the legality of the certificates, the power of the board of trustees to issue the certificates, the effectiveness of any proceedings relating to the authorization of the project, or the authorization and issuance of the certificates from and after fifteen days from the publication of the notice of intention to issue.

10. The board of trustees shall make a finding based on information supplied by the qualified company that revenues provided in the agreement are sufficient to secure the faithful performance of obligations in the agreement.

11. **Certificates issued under this section shall not be deemed to be an indebtedness of the state or the community college district or of any other political subdivision of the state, and the principal and interest on any certificates shall be payable only from the sources provided in subdivision (1) of subsection 4 of this section which are pledged in the agreement.**

12. **The provisions of the new program authorized under sections 620.800 to 620.809 shall sunset automatically on July 1, 2018, unless reauthorized by an act of the general assembly.**

620.1881. 1. The department of economic development shall respond within thirty days to a company who provides a notice of intent with either an approval or a rejection of the notice of intent. The department shall give preference to qualified companies and projects targeted at an area of the state which has recently been classified as a disaster area by the federal government. Failure to respond on behalf of the department of economic development shall result in the notice of intent being deemed an approval for the purposes of this section. A qualified company who is provided an approval for a project shall be allowed a benefit as provided in this program in the amount and duration provided in this section. A qualified company may receive additional periods for subsequent new jobs at the same facility after the full initial period if the minimum thresholds are met as set forth in sections 620.1875 to 620.1890. There is no limit on the number of periods a qualified company may participate in the program, as long as the minimum thresholds are achieved and the qualified company provides the department with the required reporting and is in proper compliance for this program or other state programs. A qualified company may elect to file a notice of intent to start a new project period concurrent with an existing project period if the minimum thresholds are achieved and the qualified company provides the department with the required reporting and is in proper compliance for this program and other state programs; however, the qualified company may not receive any further benefit under the original approval for jobs created after the date of the new notice of intent, and any jobs created before the new notice of intent may not be included as new jobs for the purpose of benefit calculation in relation to the new approval. When a qualified company has filed and received approval of a notice of intent and subsequently files another notice of intent, the department shall apply the definition of project facility under subdivision (19) of section 620.1878 to the new notice of intent as well as all previously approved notices of intent and shall determine the application of the definitions of new job, new payroll, project facility base employment, and project facility base payroll accordingly.

2. Notwithstanding any provision of law to the contrary, any qualified company that is awarded benefits under this program may not simultaneously receive tax credits or exemptions under sections 135.100 to 135.150, sections 135.200 to 135.286, section 135.535, or sections

29 135.900 to 135.906 at the same project facility. The benefits available to the company under any
30 other state programs for which the company is eligible and which utilize withholding tax from
31 the new jobs of the company must first be credited to the other state program before the
32 withholding retention level applicable under the Missouri quality jobs act will begin to accrue.
33 These other state programs include, but are not limited to, the [new] **Missouri works** jobs
34 training program under sections [178.892 to 178.896] **620.800 to 620.809**, [the job retention
35 program under sections 178.760 to 178.764,] the real property tax increment allocation
36 redevelopment act, sections 99.800 to 99.865, or the Missouri downtown and rural economic
37 stimulus act under sections 99.915 to 99.980. If any qualified company also participates in the
38 [new] **Missouri works** jobs training program in sections [178.892 to 178.896] **620.800 to**
39 **620.809**, the company shall retain no withholding tax, but the department shall issue a refundable
40 tax credit for the full amount of benefit allowed under this subdivision. The calendar year annual
41 maximum amount of tax credits which may be issued to a qualifying company that also
42 participates in the new job training program shall be increased by an amount equivalent to the
43 withholding tax retained by that company under the new jobs training program. However, if the
44 combined benefits of the quality jobs program and the new jobs training program exceed the
45 projected state benefit of the project, as determined by the department of economic development
46 through a cost-benefit analysis, the increase in the maximum tax credits shall be limited to the
47 amount that would not cause the combined benefits to exceed the projected state benefit. Any
48 taxpayer who is awarded benefits under this program who knowingly hires individuals who are
49 not allowed to work legally in the United States shall immediately forfeit such benefits and shall
50 repay the state an amount equal to any state tax credits already redeemed and any withholding
51 taxes already retained.

52 3. The types of projects and the amount of benefits to be provided are:

53 (1) Small and expanding business projects: in exchange for the consideration provided
54 by the new tax revenues and other economic stimuli that will be generated by the new jobs
55 created by the program, a qualified company may retain an amount equal to the withholding tax
56 as calculated under subdivision (33) of section 620.1878 from the new jobs that would otherwise
57 be withheld and remitted by the qualified company under the provisions of sections 143.191 to
58 143.265 for a period of three years from the date the required number of new jobs were created
59 if the average wage of the new payroll equals or exceeds the county average wage or for a period
60 of five years from the date the required number of new jobs were created if the average wage of
61 the new payroll equals or exceeds one hundred twenty percent of the county average wage;

62 (2) Technology business projects: in exchange for the consideration provided by the new
63 tax revenues and other economic stimuli that will be generated by the new jobs created by the
64 program, a qualified company may retain an amount equal to a maximum of five percent of new

65 payroll for a period of five years from the date the required number of jobs were created from
66 the withholding tax of the new jobs that would otherwise be withheld and remitted by the
67 qualified company under the provisions of sections 143.191 to 143.265 if the average wage of
68 the new payroll equals or exceeds the county average wage. An additional one-half percent of
69 new payroll may be added to the five percent maximum if the average wage of the new payroll
70 in any year exceeds one hundred twenty percent of the county average wage in the county in
71 which the project facility is located, plus an additional one-half percent of new payroll may be
72 added if the average wage of the new payroll in any year exceeds one hundred forty percent of
73 the average wage in the county in which the project facility is located. The department shall
74 issue a refundable tax credit for any difference between the amount of benefit allowed under this
75 subdivision and the amount of withholding tax retained by the company, in the event the
76 withholding tax is not sufficient to provide the entire amount of benefit due to the qualified
77 company under this subdivision;

78 (3) High impact projects: in exchange for the consideration provided by the new tax
79 revenues and other economic stimuli that will be generated by the new jobs created by the
80 program, a qualified company may retain an amount from the withholding tax of the new jobs
81 that would otherwise be withheld and remitted by the qualified company under the provisions
82 of sections 143.191 to 143.265, equal to three percent of new payroll for a period of five years
83 from the date the required number of jobs were created if the average wage of the new payroll
84 equals or exceeds the county average wage of the county in which the project facility is located.
85 For high-impact projects in a facility located within two adjacent counties, the new payroll shall
86 equal or exceed the higher county average wage of the adjacent counties. The percentage of
87 payroll allowed under this subdivision shall be three and one-half percent of new payroll if the
88 average wage of the new payroll in any year exceeds one hundred twenty percent of the county
89 average wage in the county in which the project facility is located. The percentage of payroll
90 allowed under this subdivision shall be four percent of new payroll if the average wage of the
91 new payroll in any year exceeds one hundred forty percent of the county average wage in the
92 county in which the project facility is located. An additional one percent of new payroll may be
93 added to these percentages if local incentives equal between ten percent and twenty-four percent
94 of the new direct local revenue; an additional two percent of new payroll is added to these
95 percentages if the local incentives equal between twenty-five percent and forty-nine percent of
96 the new direct local revenue; or an additional three percent of payroll is added to these
97 percentages if the local incentives equal fifty percent or more of the new direct local revenue.
98 The department shall issue a refundable tax credit for any difference between the amount of
99 benefit allowed under this subdivision and the amount of withholding tax retained by the

company, in the event the withholding tax is not sufficient to provide the entire amount of benefit due to the qualified company under this subdivision;

(4) Job retention projects: a qualified company may receive a tax credit for the retention of jobs in this state, provided the qualified company and the project meets all of the following conditions:

(a) For each of the twenty-four months preceding the year in which application for the program is made the qualified company must have maintained at least one thousand full-time employees at the employer's site in the state at which the jobs are based, and the average wage of such employees must meet or exceed the county average wage;

(b) The qualified company retained at the project facility the level of full-time employees that existed in the taxable year immediately preceding the year in which application for the program is made;

(c) The qualified company is considered to have a significant statewide effect on the economy, and has been determined to represent a substantial risk of relocation from the state by the quality jobs advisory task force established in section 620.1887; provided, however, until such time as the initial at-large members of the quality jobs advisory task force are appointed, this determination shall be made by the director of the department of economic development;

(d) The qualified company in the project facility will cause to be invested a minimum of seventy million dollars in new investment prior to the end of two years or will cause to be invested a minimum of thirty million dollars in new investment prior to the end of two years and maintain an annual payroll of at least seventy million dollars during each of the years for which a credit is claimed; and

(e) The local taxing entities shall provide local incentives of at least fifty percent of the new direct local revenues created by the project over a ten-year period. The quality jobs advisory task force may recommend to the department of economic development that appropriate penalties be applied to the company for violating the agreement. The amount of the job retention credit granted may be equal to up to fifty percent of the amount of withholding tax generated by the full-time jobs at the project facility for a period of five years. The calendar year annual maximum amount of tax credit that may be issued to any qualified company for a job retention project or combination of job retention projects shall be seven hundred fifty thousand dollars per year, but the maximum amount may be increased up to one million dollars if such action is proposed by the department and approved by the quality jobs advisory task force established in section 620.1887; provided, however, until such time as the initial at-large members of the quality jobs advisory task force are appointed, this determination shall be made by the director of the department of economic development. In considering such a request, the task force shall rely on economic modeling and other information supplied by the department when requesting

the increased limit on behalf of the job retention project. In no event shall the total amount of all tax credits issued for the entire job retention program under this subdivision exceed three million dollars annually. Notwithstanding the above, no tax credits shall be issued for job retention projects approved by the department after August 30, 2013;

(5) Small business job retention and flood survivor relief: a qualified company may receive a tax credit under sections 620.1875 to 620.1890 for the retention of jobs and flood survivor relief in this state for each job retained over a three-year period, provided that:

(a) The qualified company did not receive any state or federal benefits, incentives, or tax relief or abatement in locating its facility in a flood plain;

(b) The qualified company and related companies have fewer than one hundred employees at the time application for the program is made;

(c) The average wage of the qualified company's and related companies' employees must meet or exceed the county average wage;

(d) All of the qualified company's and related companies' facilities are located in this state;

(e) The facilities at the primary business site in this state have been directly damaged by floodwater rising above the level of a five hundred year flood at least two years, but fewer than eight years, prior to the time application is made;

(f) The qualified company made significant efforts to protect the facilities prior to any impending danger from rising floodwaters;

(g) For each year it receives tax credits under sections 620.1875 to 620.1890, the qualified company and related companies retained, at the company's facilities in this state, at least the level of full-time, year-round employees that existed in the taxable year immediately preceding the year in which application for the program is made; and

(h) In the years it receives tax credits under sections 620.1875 to 620.1890, the company cumulatively invests at least two million dollars in capital improvements in facilities and equipment located at such facilities that are not located within a five hundred year flood plain as designated by the Federal Emergency Management Agency, and amended from time to time. The amount of the small business job retention and flood survivor relief credit granted may be equal to up to one hundred percent of the amount of withholding tax generated by the full-time jobs at the project facility for a period of three years. The calendar year annual maximum amount of tax credit that may be issued to any qualified company for a small business job retention and survivor relief project shall be two hundred fifty thousand dollars per year, but the maximum amount may be increased up to five hundred thousand dollars if such action is proposed by the department and approved by the quality jobs advisory task force established in section 620.1887. In considering such a request, the task force shall rely on economic modeling

and other information supplied by the department when requesting an increase in the limit on behalf of the small business job retention and flood survivor relief project. In no event shall the total amount of all tax credits issued for the entire small business job retention and flood survivor relief program under this subdivision exceed five hundred thousand dollars annually. Notwithstanding the provisions of this subdivision to the contrary, no tax credits shall be issued for small business job retention and flood survivor relief projects approved by the department after August 30, 2010.

4. The qualified company shall provide an annual report of the number of jobs and such other information as may be required by the department to document the basis for the benefits of this program. The department may withhold the approval of any benefits until it is satisfied that proper documentation has been provided, and shall reduce the benefits to reflect any reduction in full-time employees or new payroll. Upon approval by the department, the qualified company may begin the retention of the withholding taxes when it reaches the minimum number of new jobs and the average wage exceeds the county average wage. Tax credits, if any, may be issued upon satisfaction by the department that the qualified company has exceeded the county average wage and the minimum number of new jobs. In such annual report, if the average wage is below the county average wage, the qualified company has not maintained the employee insurance as required, or if the number of new jobs is below the minimum, the qualified company shall not receive tax credits or retain the withholding tax for the balance of the benefit period. In the case of a qualified company that initially filed a notice of intent and received an approval from the department for high-impact benefits and the minimum number of new jobs in an annual report is below the minimum for high-impact projects, the company shall not receive tax credits for the balance of the benefit period but may continue to retain the withholding taxes if it otherwise meets the requirements of a small and expanding business under this program.

5. The maximum calendar year annual tax credits issued for the entire program shall not exceed eighty million dollars. Notwithstanding any provision of law to the contrary, the maximum annual tax credits authorized under section 135.535 are hereby reduced from ten million dollars to eight million dollars, with the balance of two million dollars transferred to this program. There shall be no limit on the amount of withholding taxes that may be retained by approved companies under this program.

6. The department shall allocate the annual tax credits based on the date of the approval, reserving such tax credits based on the department's best estimate of new jobs and new payroll of the project, and the other factors in the determination of benefits of this program. However, the annual issuance of tax credits is subject to the annual verification of the actual new payroll. The allocation of tax credits for the period assigned to a project shall expire if, within two years

208 from the date of commencement of operations, or approval if applicable, the minimum
209 thresholds have not been achieved. The qualified company may retain authorized amounts from
210 the withholding tax under this section once the minimum new jobs thresholds are met for the
211 duration of the project period. No benefits shall be provided under this program until the
212 qualified company meets the minimum new jobs thresholds. In the event the qualified company
213 does not meet the minimum new job threshold, the qualified company may submit a new notice
214 of intent or the department may provide a new approval for a new project of the qualified
215 company at the project facility or other facilities.

216 7. For a qualified company with flow-through tax treatment to its members, partners, or
217 shareholders, the tax credit shall be allowed to members, partners, or shareholders in proportion
218 to their share of ownership on the last day of the qualified company's tax period.

219 8. Tax credits may be claimed against taxes otherwise imposed by chapters 143 and 148,
220 and may not be carried forward but shall be claimed within one year of the close of the taxable
221 year for which they were issued, except as provided under subdivision (4) of subsection 3 of this
222 section.

223 9. Tax credits authorized by this section may be transferred, sold, or assigned by filing
224 a notarized endorsement thereof with the department that names the transferee, the amount of
225 tax credit transferred, and the value received for the credit, as well as any other information
226 reasonably requested by the department.

227 10. Prior to the issuance of tax credits, the department shall verify through the
228 department of revenue, or any other state department, that the tax credit applicant does not owe
229 any delinquent income, sales, or use tax or interest or penalties on such taxes, or any delinquent
230 fees or assessments levied by any state department and through the department of insurance,
231 financial institutions and professional registration that the applicant does not owe any delinquent
232 insurance taxes. Such delinquency shall not affect the authorization of the application for such
233 tax credits, except that at issuance credits shall be first applied to the delinquency and any
234 amount issued shall be reduced by the applicant's tax delinquency. If the department of revenue
235 or the department of insurance, financial institutions and professional registration, or any other
236 state department, concludes that a taxpayer is delinquent after June fifteenth but before July first
237 of any year and the application of tax credits to such delinquency causes a tax deficiency on
238 behalf of the taxpayer to arise, then the taxpayer shall be granted thirty days to satisfy the
239 deficiency in which interest, penalties, and additions to tax shall be tolled. After applying all
240 available credits toward a tax delinquency, the administering agency shall notify the appropriate
241 department and that department shall update the amount of outstanding delinquent tax owed by
242 the applicant. If any credits remain after satisfying all insurance, income, sales, and use tax

243 delinquencies, the remaining credits shall be issued to the applicant, subject to the restrictions
244 of other provisions of law.

245 11. Except as provided under subdivision (4) of subsection 3 of this section, the director
246 of revenue shall issue a refund to the qualified company to the extent that the amount of credits
247 allowed in this section exceeds the amount of the qualified company's income tax.

248 12. An employee of a qualified company will receive full credit for the amount of tax
249 withheld as provided in section 143.211.

250 13. If any provision of sections 620.1875 to 620.1890 or application thereof to any
251 person or circumstance is held invalid, the invalidity shall not affect other provisions or
252 application of these sections which can be given effect without the invalid provisions or
253 application, and to this end, the provisions of sections 620.1875 to 620.1890 are hereby declared
254 severable.

620.1910. 1. This section shall be known and may be cited as the "Manufacturing Jobs
2 Act".

3 2. As used in this section, the following terms mean:

4 (1) "Approval", a document submitted by the department to the qualified manufacturing
5 company or qualified supplier that states the benefits that may be provided under this section;

6 (2) "Capital investment", expenditures made by a qualified manufacturing company to
7 retool or reconfigure a manufacturing facility directly related to the manufacturing of a new
8 product or the expansion or modification of the manufacture of an existing product;

9 (3) "County average wage", the same meaning as such term is defined in section
10 620.1878;

11 (4) "Department", the department of economic development;

12 (5) "Facility", a building or buildings located in Missouri at which the qualified
13 manufacturing company manufactures a product;

14 (6) "Full-time job", a job for which a person is compensated for an average of at least
15 thirty-five hours per week for a twelve-month period, and one for which the qualified
16 manufacturing company or qualified supplier offers health insurance and pays at least fifty
17 percent of such insurance premiums;

18 (7) "NAICS industry classification", the most recent edition of the North American
19 Industry Classification System as prepared by the Executive Office of the President, Office of
20 Management and Budget;

21 (8) "New job", the same meaning as such term is defined in section 620.1878;

22 (9) "New product", a new model or line of a manufactured good that has not been
23 manufactured in Missouri by the qualified manufacturing company at any time prior to the date
24 of the notice of intent, or an existing brand, model, or line of a manufactured good that is

25 redesigned with more than seventy-five percent new exterior body parts and incorporates new
26 powertrain options;

27 (10) "Notice of intent", a form developed by the department, completed by the qualified
28 manufacturing company or qualified supplier and submitted to the department which states the
29 qualified manufacturing company's or qualified supplier's intent to create new jobs or retain
30 current jobs and make additional capital investment, as applicable, and request benefits under
31 this section. The notice of intent shall specify the minimum number of such new or retained jobs
32 and the minimum amount of such capital investment;

33 (11) "Qualified manufacturing company", a business with a NAICS code of 33611 that:

34 (a) Manufactures goods at a facility in Missouri;

35 (b) In the case of the manufacture of a new product, commits to make a capital
36 investment of at least seventy-five thousand dollars per retained job within no more than two
37 years of the date the qualified manufacturing company begins to retain withholding tax under this
38 section, or in the case of the modification or expansion of the manufacture of an existing product,
39 commits to make a capital investment of at least fifty thousand dollars per retained job within
40 no more than two years of the date the qualified manufacturing company begins to retain
41 withholding tax under this section;

42 (c) Manufactures a new product or has commenced making capital improvements to the
43 facility necessary for the manufacturing of such new product, or modifies or expands the
44 manufacture of an existing product or has commenced making capital improvements to the
45 facility necessary for the modification or expansion of the manufacture of such existing product;
46 and

47 (d) Continues to meet the requirements of paragraphs (a) to (c) of this subdivision for
48 the withholding period;

49 (12) "Qualified supplier", a manufacturing company that:

50 (a) Attests to the department that it derives more than ten percent of the total annual sales
51 of the company from sales to a qualified manufacturing company;

52 (b) Adds five or more new jobs;

53 (c) Has an average wage, as defined in section 135.950, for such new jobs that are equal
54 to or exceed the lower of the county average wage for Missouri as determined by the department
55 using NAICS industry classifications, but not lower than sixty percent of the statewide average
56 wage; and

57 (d) Provides health insurance for all full-time jobs and pays at least fifty percent of the
58 premiums of such insurance;

59 (13) "Retained job", the number of full-time jobs of persons employed by the qualified
60 manufacturing company located at the facility that existed as of the last working day of the
61 month immediately preceding the month in which notice of intent is submitted;

62 (14) "Statewide average wage", an amount equal to the quotient of the sum of the total
63 gross wages paid for the corresponding four calendar quarters divided by the average annual
64 employment for such four calendar quarters, which shall be computed using the Quarterly
65 Census of Employment and Wages Data for All Private Ownership Businesses in Missouri, as
66 published by the Bureau of Labor Statistics of the United States Department of Labor;

67 (15) "Withholding period", the seven- or ten-year period in which a qualified
68 manufacturing company may receive benefits under this section;

69 (16) "Withholding tax", the same meaning as such term is defined in section 620.1878.

70 3. The department shall respond within thirty days to a qualified manufacturing company
71 or a qualified supplier who provides a notice of intent with either an approval or a rejection of
72 the notice of intent. Failure to respond on behalf of the department shall result in the notice of
73 intent being deemed an approval for the purposes of this section.

74 4. A qualified manufacturing company that manufactures a new product may, upon the
75 department's approval of a notice of intent and the execution of an agreement that meets the
76 requirements of subsection 9 of this section, but no earlier than January 1, 2012, retain one
77 hundred percent of the withholding tax from full-time jobs at the facility for a period of ten years.
78 A qualified manufacturing company that modifies or expands the manufacture of an existing
79 product may, upon the department's approval of a notice of intent and the execution of an
80 agreement that meets the requirements of subsection 9 of this section, but no earlier than
81 January 1, 2012, retain fifty percent of the withholding tax from full-time jobs at the facility for
82 a period of seven years. Except as otherwise allowed under subsection 7 of this section, the
83 commencement of the withholding period may be delayed by no more than twenty-four months
84 after execution of the agreement at the option of the qualified manufacturing company. Such
85 qualified manufacturing company shall be eligible for participation in the Missouri quality jobs
86 program in sections 620.1875 to 620.1890 for any new jobs for which it does not retain
87 withholding tax under this section, provided all qualifications for such program are met.

88 5. A qualified supplier may, upon approval of a notice of intent by the department, retain
89 all withholding tax from new jobs for a period of three years from the date of approval of the
90 notice of intent or for a period of five years if the supplier pays wages for the new jobs equal to
91 or greater than one hundred twenty percent of county average wage. Notwithstanding any other
92 provision of law to the contrary, a qualified supplier that is awarded benefits under this section
93 shall not receive any tax credit or exemption or be entitled to retain withholding under sections

94 100.700 to 100.850, sections 135.100 to 135.150, sections 135.200 to 135.286, section 135.535,
95 sections 135.900 to 135.906, sections 135.950 to 135.970, or section 620.1881 for the same jobs.

96 6. Notwithstanding any other provision of law to the contrary, the maximum amount of
97 withholding tax that may be retained by any one qualified manufacturing company under this
98 section shall not exceed ten million dollars per calendar year. The aggregate amount of
99 withholding tax that may be retained by all qualified manufacturing companies under this section
100 shall not exceed fifteen million dollars per calendar year.

101 7. Notwithstanding any other provision of law to the contrary, any qualified
102 manufacturing company that is awarded benefits under this section shall not simultaneously
103 receive tax credits or exemptions under sections 100.700 to 100.850, sections 135.100 to
104 135.150, sections 135.200 to 135.286, section 135.535, or sections 135.900 to 135.906 for the
105 jobs created or retained or capital improvement which qualified for benefits under this section.
106 The benefits available to the qualified manufacturing company under any other state programs
107 for which the qualified manufacturing company is eligible and which utilize withholding tax
108 from the jobs at the facility shall first be credited to the other state program before the applicable
109 withholding period for benefits provided under this section shall begin. These other state
110 programs include, but are not limited to, the [new] **Missouri works** jobs training program under
111 sections [178.892 to 178.896] **620.800 to 620.809**, [the job retention program under sections
112 178.760 to 178.764,] the real property tax increment allocation redevelopment act under sections
113 99.800 to 99.865, or the Missouri downtown and rural economic stimulus act under sections
114 99.915 to 99.980. If any qualified manufacturing company also participates in the [new]
115 **Missouri works** jobs training program in sections [178.892 to 178.896] **620.800 to 620.809**,
116 such qualified manufacturing company shall not retain any withholding tax that has already been
117 allocated for use in the new jobs training program. Any qualified manufacturing company or
118 qualified supplier that is awarded benefits under this program and knowingly hires individuals
119 who are not allowed to work legally in the United States shall immediately forfeit such benefits
120 and shall repay the state an amount equal to any withholding taxes already retained. Subsection
121 5 of section 285.530 shall not apply to qualified manufacturing companies or qualified suppliers
122 which are awarded benefits under this program.

123 8. The department may promulgate rules to implement the provisions of this section.
124 Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the
125 authority delegated in this section shall become effective only if it complies with and is subject
126 to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and
127 chapter 536 are nonseverable and if any of the powers vested with the general assembly under
128 chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are

subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after the effective date of this section shall be invalid and void.

9. Within six months of completion of a notice of intent required under this section, the qualified manufacturing company shall enter into an agreement with the department that memorializes the content of the notice of intent, the requirements of this section, and the consequences for failing to meet such requirements, which shall include the following:

(1) If the amount of capital investment made by the qualified manufacturing company is not made within the two-year period provided for such investment, the qualified manufacturing company shall immediately cease retaining any withholding tax with respect to jobs at the facility and it shall forfeit all rights to retain withholding tax for the remainder of the withholding period. In addition, the qualified manufacturing company shall repay any amounts of withholding tax retained plus interest of five percent per annum. However, in the event that such capital investment shortfall is due to economic conditions beyond the control of the qualified manufacturing company, the director may, at the qualified manufacturing company's request, suspend rather than terminate its privilege to retain withholding tax under this section for up to three years. Any such suspension shall extend the withholding period by the same amount of time. No more than one such suspension shall be granted to a qualified manufacturing company;

(2) If the qualified manufacturing company discontinues the manufacturing of the new product and does not replace it with a subsequent or additional new product manufactured at the facility at any time during the withholding period, the qualified manufacturing company shall immediately cease retaining any withholding tax with respect to jobs at that facility and it shall forfeit all rights to retain withholding tax for the remainder of the withholding period.

10. Prior to March first each year, the department shall provide a report to the general assembly including the names of participating qualified manufacturing companies or qualified suppliers, location of such companies or suppliers, the annual amount of benefits provided, the estimated net state fiscal impact including direct and indirect new state taxes derived, and the number of new jobs created or jobs retained.

11. Under section 23.253 of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset October 12, 2016, unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset twelve years after the effective date of the reauthorization of this section; and

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset.

[178.760. As used in sections 178.760 to 178.764, the following terms mean:

(1) "Agreement", the agreement between an employer and a community college district concerning a project. An agreement may be for a period not to exceed ten years when the program services associated with a project are not in excess of five hundred thousand dollars. For a project where the associated program costs are greater than five hundred thousand dollars, the agreement may not exceed a period of eight years;

(2) "Board of trustees", the board of trustees of a community college district;

(3) "Capital investment", an investment in research and development, working capital, and real and tangible personal business property except inventory or property intended for sale to customers. Trucks, truck trailers, truck semi-trailers, rail and barge vehicles and other rolling stock for hire, track, switches, barges, bridges, tunnels, rail yards, and spurs shall not qualify as a capital investment. The amount of such investment shall be the original cost of the property if owned, or eight times the net annual rental rate if leased;

(4) "Certificate", industrial retained jobs training certificates issued under section 178.763;

(5) "Date of commencement of the project", the date of the agreement;

(6) "Employee", the person employed in a retained job;

(7) "Employer", the person maintaining retained jobs in conjunction with a project;

(8) "Industry", a business located within this state which enters into an agreement with a community college district and which is engaged in interstate or intrastate commerce for the purpose of manufacturing, processing, or assembling products, conducting research and development, or providing services in interstate commerce, but excluding retail services;

(9) "Program costs", all necessary and incidental costs of providing program services, including payment of the principal, premium, and interest on certificates, including capitalized interest, issued to finance a project, funding and maintenance of a debt service reserve fund to secure such certificates and wages, salaries and benefits of employees participating in on-the-job training;

(10) "Program services" includes, but is not limited to, the following:

(a) Retained jobs training;

(b) Adult basic education and job-related instruction;

(c) Vocational and skill-assessment services and testing;

(d) Training facilities, equipment, materials, and supplies;

(e) On-the-job training;

(f) Administrative expenses equal to seventeen percent of the total training costs, two percent to be paid to the department of economic development for deposit into the Missouri job development fund created under section 620.478;

(g) Subcontracted services with state institutions of higher education, private colleges or universities, or other federal, state, or local agencies;

(h) Contracted or professional services; and

(i) Issuance of certificates;

(11) "Project", a training arrangement which is the subject of an agreement entered into between the community college district and an employer to provide program services that is not also the subject of an agreement entered into between a community college district and an employer to provide program services under sections 178.892 to 178.896;

(12) "Retained job", a job in a stable industry, not including jobs for recalled workers, which was in existence for at least two consecutive calendar years preceding the year in which the application for the retained jobs training program was made;

(13) "Retained jobs credit from withholding", the credit as provided in section 178.762;

(14) "Retained jobs training program", or "program", the project or projects established by a community college district for the retention of jobs, by providing education and training of workers for existing jobs for stable industry in the state;

(15) "Stable industry", a business that otherwise meets the definition of industry and retains existing jobs. To be a stable industry, the business shall have:

(a) Maintained at least one hundred employees per year at the employer's site in the state at which the jobs are based, for each of the two calendar years preceding the year in which application for the program is made;

(b) Retained at that site the level of employment that existed in the taxable year immediately preceding the year in which application for the program is made; and

(c) Made or agree to make a capital investment aggregating at least one million dollars to acquire or improve long-term assets (including leased facilities) such as property, plant, or equipment (excluding program costs) at the employer's site in the state at which jobs are based over a period of three consecutive calendar years, as certified by the employer and:

a. Have made substantial investment in new technology requiring the upgrading of worker's skills; or

b. Be located in a border county of the state and represent a potential risk of relocation from the state; or

c. Be determined to represent a substantial risk of relocation from the state by the director of the department of economic development;

(16) "Total training costs", costs of training, including supplies, wages and benefits of instructors, subcontracted services, on-the-job training, training facilities, equipment, skill assessment, and all program services excluding issuance of certificates.]

2 [178.761. A community college district, with the approval of the
3 department of economic development in consultation with the office of
4 administration, may enter into an agreement to establish a project and provide
5 program services to an employer. As soon as possible after initial contact
6 between a community college district and a potential employer regarding the
7 possibility of entering into an agreement, the district shall inform the division of
8 workforce development of the department of economic development and the
9 office of administration about the potential project. The division of workforce
10 development shall evaluate the proposed project within the overall job training
11 efforts of the state to ensure that the project will not duplicate other job training
12 programs. The department of economic development shall have fourteen days
13 from receipt of the application to approve or disapprove projects. If no response
14 is received by the community college within fourteen days, the projects are
15 approved. Any project that is disapproved must be in writing stating the reasons
16 for the disapproval. If an agreement is entered into, the district and the employer
17 shall notify the department of revenue within fifteen calendar days. An
18 agreement may provide, but is not limited to:

19 (1) Payment of program costs, including deferred costs, which may be
20 paid from one or a combination of the following sources:

21 (a) Funds appropriated by the general assembly from the Missouri
22 community college job retention program fund and disbursed by the division of
23 workforce development in respect of retained jobs credit from withholding to be
24 received or derived from retained employment resulting from the project;

25 (b) Tuition, student fees, or special charges fixed by the board of trustees
26 to defray program costs in whole or in part;

27 (c) Guarantee of payments to be received under paragraph (a) or (b) of
28 this subdivision;

29 (2) Payment of program costs shall not be deferred for a period longer
30 than ten years if program costs do not exceed five hundred thousand dollars, or
31 eight years if program costs exceed five hundred thousand dollars from the date
32 of commencement of the project;

33 (3) Costs of on-the-job training for employees shall include wages or
34 salaries of participating employees. Payments for on-the-job training shall not
35 exceed the average of fifty percent of the total percent of the total wages paid by
36 the employer to each participant during the period of training. Payment for
37 on-the-job training may continue for up to six months from the date of the
38 employer's capital investment;

39 (4) A provision which fixes the minimum amount of retained jobs credit
40 from withholding, or tuition and fee payments which shall be paid for program
41 costs;

42 (5) Any payment required to be made by an employer is a lien upon the
43 employer's business property until paid and has equal precedence with ordinary
taxes and shall not be divested by a judicial sale. Property subject to the lien may

44 be sold for sums due and delinquent at a tax sale, with the same forfeitures,
45 penalties, and consequences as for the nonpayment of ordinary taxes. The
46 purchasers at tax sale obtain the property subject to the remaining payments.]
47

2 [178.762. If an agreement provides that all or part of program costs are
3 to be met by receipt of retained jobs credit from withholding, such retained jobs
4 credit from withholding shall be determined and paid as follows:

5 (1) Retained jobs credit from withholding shall be based upon the wages
6 paid to the employees in the retained jobs;

7 (2) A portion of the total payments made by the employer under section
8 143.221 shall be designated as the retained jobs credit from withholding. Such
9 portion shall be an amount equal to two and one-half percent of the gross wages
10 paid by the employer for each of the first one hundred jobs included in the project
11 and one and one-half percent of the gross wages paid by the employer for each
12 of the remaining jobs included in the project. If business or employment
13 conditions cause the amount of the retained jobs credit from withholding to be
14 less than the amount projected in the agreement for any time period, then other
15 withholding tax paid by the employer under section 143.221 shall be credited to
16 the Missouri community college retained job training fund by the amount of such
17 difference. The employer shall remit the amount of the retained jobs credit to the
18 department of revenue in the manner prescribed in section 178.764. When all
19 program costs, including the principal, premium, and interest on the certificates
20 have been paid, the employer credits shall cease;

21 (3) The community college district participating in a project shall
22 establish a special fund for and in the name of the project. All funds appropriated
23 by the general assembly from the Missouri community college job training
24 retention program fund and disbursed by the division of workforce development
25 for the project and other amounts received by the district in respect of the project
26 and required by the agreement to be used to pay program costs for the project
27 shall be deposited in the special fund. Amounts held in the special fund may be
28 used and disbursed by the district only to pay program costs for the project. The
29 special fund may be divided into such accounts and subaccounts as shall be
30 provided in the agreement, and amounts held therein may be invested in
31 investments which are legal for the investment of the district's other funds;

32 (4) Any disbursement in respect of a project received from the division
33 of workforce development under sections 178.760 to 178.764 and the special
34 fund into which it is paid may be irrevocably pledged by a community college
35 district for the payment of the principal, premium, and interest on the certificate
36 issued by a community college district to finance or refinance, in whole or in part,
37 the project;

38 (5) The employer shall certify to the department of revenue that the credit
39 from withholding is in accordance with an agreement and shall provide other
information the department may require;

(6) An employee participating in a project will receive full credit for the amount designated as a retained jobs credit from withholding and withheld as provided in section 143.221;

(7) If an agreement provides that all or part of program costs are to be met by receipt of retained jobs credit from withholding, the provisions of this subsection shall also apply to any successor to the original employer until such time as the principal and interest on the certificates have been paid.]

[178.763. 1. To provide funds for the present payment of the costs of retained jobs training programs, a community college district may borrow money and issue and sell certificates payable from a sufficient portion of the future receipts of payments authorized by the agreement including disbursements from the Missouri community college job retention training program to the special fund established by the district for each project. The total amount of outstanding certificates sold by all community college districts shall not exceed fifteen million dollars, unless an increased amount is authorized in writing by a majority of members of the Missouri job training joint legislative oversight committee. The certificates shall be marketed through financial institutions authorized to do business in Missouri.

The receipts shall be pledged to the payment of principal of and interest on the certificates. Certificates may be sold at public sale or at private sale at par, premium, or discount of not less than ninety-five percent of the par value thereof, at the discretion of the board of trustees, and may bear interest at such rate or rates as the board of trustees shall determine, notwithstanding the provisions of section 108.170 to the contrary. However, chapter 176 does not apply to the issuance of these certificates. Certificates may be issued with respect to a single project or multiple projects and may contain terms or conditions as the board of trustees may provide by resolution authorizing the issuance of the certificates.

2. Certificates issued to refund other certificates may be sold at public sale or at private sale as provided in this section with the proceeds from the sale to be used for the payment of the certificates being refunded. The refunding certificates may be exchanged in payment and discharge of the certificates being refunded, in installments at different times or an entire issue or series at one time. Refunding certificates may be sold or exchanged at any time on, before, or after the maturity of the outstanding certificates to be refunded. They may be issued for the purpose of refunding a like, greater, or lesser principal amount of certificates and may bear a higher, lower, or equivalent rate of interest than the certificates being renewed or refunded.

3. Before certificates are issued, the board of trustees shall publish once a notice of its intention to issue the certificates, stating the amount, the purpose, and the project or projects for which the certificates are to be issued. A person may, within fifteen days after the publication of the notice, by action in the circuit court of a county in the district, appeal the decision of the board of trustees to

36 issue the certificates. The action of the board of trustees in determining to issue
37 the certificates is final and conclusive unless the circuit court finds that the board
38 of trustees has exceeded its legal authority. An action shall not be brought which
39 questions the legality of the certificates, the power of the board of trustees to
40 issue the certificates, the effectiveness of any proceedings relating to the
41 authorization of the project, or the authorization and issuance of the certificates
42 from and after fifteen days from the publication of the notice of intention to issue.

43 4. The board of trustees shall make a finding based on information
44 supplied by the employer that revenues provided in the agreement are sufficient
45 to secure the faithful performance of obligations in the agreement.

46 5. Certificates issued under this section shall not be deemed to be an
47 indebtedness of the state or the community college district or of any other
48 political subdivision of the state, and the principal and interest on such
49 certificates shall be payable only from the sources provided in subdivision (1) of
50 section 178.761 which are pledged in the agreement.

51 6. The department of economic development shall coordinate the retained
52 jobs training program, and may promulgate rules that districts will use in
53 developing projects with industrial retained jobs training proposals which shall
54 include rules providing for the coordination of such proposals with the service
55 delivery areas established in the state to administer federal funds pursuant to the
56 federal Workforce Investment Act. No rule or portion of a rule promulgated
57 pursuant to the authority of this section shall become effective unless it has been
58 promulgated pursuant to chapter 536.

59 7. No community college district may sell certificates as described in this
60 section after July 1, 2014.]
61

[178.764. 1. There is hereby established within the state treasury a
2 special fund, to be known as the "Missouri Community College Job Retention
3 Training Program Fund", to be administered by the division of workforce
4 development. The department of revenue shall credit to the community college
5 job retention training program fund, as received, all retained jobs credit from
6 withholding remitted by employers pursuant to section 178.762. The fund shall
7 also consist of any gifts, contributions, grants, or bequests received from federal,
8 private, or other sources. The general assembly, however, shall not provide for
9 any transfer of general revenue funds into the community college job retention
10 training program fund. Moneys in the Missouri community college job retention
11 training program fund shall be disbursed to the division of workforce
12 development pursuant to regular appropriations by the general assembly. The
13 division shall disburse such appropriated funds in a timely manner into the
14 special funds established by community college districts for projects, which funds
15 shall be used to pay program costs, including the principal, premium, and interest
16 on certificates issued by the district to finance or refinance, in whole or in part,
17 a project. Such disbursements by the division of workforce development shall

be made to the special fund for each project in the same proportion as the retained jobs credit from withholding remitted by the employer participating in such project bears to the total retained jobs credit from withholding remitted by all employers participating in projects during the period for which the disbursement is made. Moneys for retained jobs training programs established under sections 178.760 to 178.764 shall be obtained from appropriations made by the general assembly from the Missouri community college job retention training program fund. All moneys remaining in the Missouri community college job retention training program fund at the end of any fiscal year shall not lapse to the general revenue fund, as provided in section 33.080, but shall remain in the Missouri community college job retention training program fund.

2. The department of revenue shall develop such forms as are necessary to demonstrate accurately each employer's retained jobs credit from withholding paid into the Missouri community college job retention training program fund.

The retained jobs credit from withholding shall be accounted as separate from the normal withholding tax paid to the department of revenue by the employer. Reimbursements made by all employers to the Missouri community college job retention training program fund shall be no less than all allocations made by the division of workforce development to all community college districts for all job retention projects. The employer shall remit the amount of the retained job credit to the department of revenue in the same manner as provided in sections 143.191 to 143.265.]

[178.892. As used in sections 178.892 to 178.896, the following terms mean:

(1) "Agreement", the agreement, between an employer and a community college district, concerning a project. An agreement may be for a period not to exceed ten years when the program services associated with a project are not in excess of five hundred thousand dollars. For a project where associated program costs are greater than five hundred thousand dollars, the agreement may not exceed a period of eight years. No agreement shall be entered into between an employer and a community college district which involves the training of potential employees with the purpose of replacing or supplanting employees engaged in an authorized work stoppage;

(2) "Board of trustees", the board of trustees of a community college district;

(3) "Certificate", industrial new jobs training certificates issued pursuant to section 178.895;

(4) "Date of commencement of the project", the date of the agreement;

(5) "Employee", the person employed in a new job;

(6) "Employer", the person providing new jobs in conjunction with a project;

(7) "Essential industry", a business that otherwise meets the definition of industry but instead of creating new jobs maintains existing jobs. To be an essential industry, the business must have maintained at least two thousand jobs each year for a period of four years preceding the year in which application for the program authorized by sections 178.892 to 178.896 is made and must be located in a home rule city with more than twenty-six thousand but less than twenty-seven thousand inhabitants located in any county with a charter form of government and with more than one million inhabitants;

(8) "Existing job", a job in an essential industry that pays wages or salary greater than the average of the county in which the project will be located;

(9) "Industry", a business located within the state of Missouri which enters into an agreement with a community college district and which is engaged in interstate or intrastate commerce for the purpose of manufacturing, processing, or assembling products, conducting research and development, or providing services in interstate commerce, but excluding retail services. "Industry" does not include a business which closes or substantially reduces its operation in one area of the state and relocates substantially the same operation in another area of the state. This does not prohibit a business from expanding its operations in another area of the state provided that existing operations of a similar nature are not closed or substantially reduced;

(10) "New job", a job in a new or expanding industry not including jobs of recalled workers, or replacement jobs or other jobs that formerly existed in the industry in the state. For an essential industry, an existing job shall be considered a new job for the purposes of the new job training programs;

(11) "New jobs credit from withholding", the credit as provided in section 178.894;

(12) "New jobs training program" or "program", the project or projects established by a community college district for the creation of jobs by providing education and training of workers for new jobs for new or expanding industry in the state;

(13) "Program costs", all necessary and incidental costs of providing program services including payment of the principal of, premium, if any, and interest on certificates, including capitalized interest, issued to finance a project, funding and maintenance of a debt service reserve fund to secure such certificates and wages, salaries and benefits of employees participating in on-the-job training;

(14) "Program services" includes, but is not limited to, the following:

- (a) New jobs training;
- (b) Adult basic education and job-related instruction;
- (c) Vocational and skill-assessment services and testing;
- (d) Training facilities, equipment, materials, and supplies;
- (e) On-the-job training;
- (f) Administrative expenses equal to fifteen percent of the total training costs;

(g) Subcontracted services with state institutions of higher education, private colleges or universities, or other federal, state, or local agencies;

(h) Contracted or professional services; and (i) Issuance of certificates;

(15) "Project", a training arrangement which is the subject of an agreement entered into between the community college district and an employer to provide program services;

(16) "Total training costs", costs of training, including supplies, wages and benefits of instructors, subcontracted services, on-the-job training, training facilities, equipment, skill assessment and all program services excluding issuance of certificates.]

[178.893. A community college district, with the approval of the department of economic development in consultation with the office of administration, may enter into an agreement to establish a project and provide program services to an employer. As soon as possible after initial contact between a community college district and a potential employer regarding the possibility of entering into an agreement, the district shall inform the division of job development and training of the department of economic development and the office of administration about the potential project. The division of job development and training shall evaluate the proposed project within the overall job training efforts of the state to ensure that the project will not duplicate other job training programs. The department of economic development shall have fourteen days from receipt of the application to approve or disapprove projects. If no response is received by the community college within fourteen days the projects are approved. Any project that is disapproved must be in writing stating the reasons for the disapproval. If an agreement is entered into, the district and the employer shall notify the department of revenue within fifteen calendar days. An agreement may provide, but is not limited to:

(1) Payment of program costs, including deferred costs, which may be paid from one or a combination of the following sources:

(a) Funds appropriated by the general assembly from the Missouri community college job training program fund and disbursed by the division of job development and training in respect of new jobs credit from withholding to be received or derived from new employment resulting from the project;

(b) Tuition, student fees, or special charges fixed by the board of trustees to defray program costs in whole or in part;

(c) Guarantee of payments to be received under paragraph (a) or (b) of this subdivision;

(2) Payment of program costs shall not be deferred for a period longer than ten years if program costs do not exceed five hundred thousand dollars, or eight years if program costs exceed five hundred thousand dollars from the date of commencement of the project;

(3) Costs of on-the-job training for employees, shall include wages or salaries of participating employees. Payments for on-the-job training shall not exceed the average of fifty percent of the total percent of the total wages paid by the employer to each participant during the period of training.

Payment for on-the-job training may continue for up to six months after the placement of the participant in the new job;

(4) A provision which fixes the minimum amount of new jobs credit from withholding, or tuition and fee payments which shall be paid for program costs;

(5) Any payment required to be made by an employer is a lien upon the employer's business property until paid and has equal precedence with ordinary taxes and shall not be divested by a judicial sale. Property subject to the lien may be sold for sums due and delinquent at a tax sale, with the same forfeitures, penalties, and consequences as for the nonpayment of ordinary taxes. The purchasers at tax sale obtain the property subject to the remaining payments.]

[178.894. If an agreement provides that all or part of program costs are to be met by receipt of new jobs credit from withholding, such new jobs credit from withholding shall be determined and paid as follows:

(1) New jobs credit from withholding shall be based upon the wages paid to the employees in the new jobs;

(2) A portion of the total payments made by the employer pursuant to section 143.221 shall be designated as the new jobs credit from withholding. Such portion shall be an amount equal to two and one-half percent of the gross wages paid by the employer for each of the first one hundred jobs included in the project and one and one-half percent of the gross wages paid by the employer for each of the remaining jobs included in the project. If business or employment conditions cause the amount of the new jobs credit from withholding to be less than the amount projected in the agreement for any time period, then other withholding tax paid by the employer pursuant to section 143.221 shall be credited to the Missouri community college job training fund by the amount of such difference. The employer shall remit the amount of the new jobs credit to the department of revenue in the manner prescribed in section 178.896. When all program costs, including the principal of, premium, if any, and interest on the certificates have been paid, the employer credits shall cease;

(3) The community college district participating in a project shall establish a special fund for and in the name of the project. All funds appropriated by the general assembly from the Missouri community college job training program fund and disbursed by the division of job development and training for the project and other amounts received by the district in respect of the project and required by the agreement to be used to pay program costs for the project shall be deposited in the special fund. Amounts held in the special fund may be used and disbursed by the district only to pay program costs for the project. The

special fund may be divided into such accounts and subaccounts as shall be provided in the agreement, and amounts held therein may be invested in investments which are legal for the investment of the district's other funds;

(4) Any disbursement in respect of a project received from the division of job development and training under the provisions of sections 178.892 to 178.896 and the special fund into which it is paid may be irrevocably pledged by a community college district for the payment of the principal of, premium, if any, and interest on the certificate issued by a community college district to finance or refinance, in whole or in part, the project;

(5) The employer shall certify to the department of revenue that the credit from withholding is in accordance with an agreement and shall provide other information the department may require;

(6) An employee participating in a project will receive full credit for the amount designated as a new jobs credit from withholding and withheld as provided in section 143.221;

(7) If an agreement provides that all or part of program costs are to be met by receipt of new jobs credit from withholding, the provisions of this subsection shall also apply to any successor to the original employer until such time as the principal and interest on the certificates have been paid.]

[178.895. 1. To provide funds for the present payment of the costs of new jobs training programs, a community college district may borrow money and issue and sell certificates payable from a sufficient portion of the future receipts of payments authorized by the agreement including disbursements from the Missouri community college job training program to the special fund established by the district for each project. The total amount of outstanding certificates sold by all community college districts shall not exceed twenty million dollars, unless an increased amount is authorized in writing by a majority of members of the Missouri job training joint legislative oversight committee. The certificates shall be marketed through financial institutions authorized to do business in Missouri. The receipts shall be pledged to the payment of principal of and interest on the certificates. Certificates may be sold at public sale or at private sale at par, premium, or discount of not less than ninety-five percent of the par value thereof, at the discretion of the board of trustees, and may bear interest at such rate or rates as the board of trustees shall determine, notwithstanding the provisions of section 108.170 to the contrary. However, chapter 176 does not apply to the issuance of these certificates. Certificates may be issued with respect to a single project or multiple projects and may contain terms or conditions as the board of trustees may provide by resolution authorizing the issuance of the certificates.

2. Certificates issued to refund other certificates may be sold at public sale or at private sale as provided in this section with the proceeds from the sale to be used for the payment of the certificates being refunded. The refunding certificates may be exchanged in payment and discharge of the certificates being

24 refunded, in installments at different times or an entire issue or series at one time.
25 Refunding certificates may be sold or exchanged at any time on, before, or after
26 the maturity of the outstanding certificates to be refunded. They may be issued
27 for the purpose of refunding a like, greater, or lesser principal amount of
28 certificates and may bear a higher, lower, or equivalent rate of interest than the
29 certificates being renewed or refunded.

30 3. Before certificates are issued, the board of trustees shall publish once
31 a notice of its intention to issue the certificates, stating the amount, the purpose,
32 and the project or projects for which the certificates are to be issued. A person
33 may, within fifteen days after the publication of the notice, by action in the circuit
34 court of a county in the district, appeal the decision of the board of trustees to
35 issue the certificates. The action of the board of trustees in determining to issue
36 the certificates is final and conclusive unless the circuit court finds that the board
37 of trustees has exceeded its legal authority. An action shall not be brought which
38 questions the legality of the certificates, the power of the board of trustees to
39 issue the certificates, the effectiveness of any proceedings relating to the
40 authorization of the project, or the authorization and issuance of the certificates
41 from and after fifteen days from the publication of the notice of intention to issue.

42 4. The board of trustees shall determine if revenues provided in the
43 agreement are sufficient to secure the faithful performance of obligations in the
44 agreement.

45 5. Certificates issued under this section shall not be deemed to be an
46 indebtedness of the state or the community college district or of any other
47 political subdivision of the state and the principal and interest on such certificates
48 shall be payable only from the sources provided in subdivision (1) of section
49 178.893 which are pledged in the agreement.

50 6. The department of economic development shall coordinate the new
51 jobs training program, and may promulgate rules that districts will use in
52 developing projects with new and expanding industrial new jobs training
53 proposals which shall include rules providing for the coordination of such
54 proposals with the service delivery areas established in the state to administer
55 federal funds pursuant to the federal Job Training Partnership Act. No rule or
56 portion of a rule promulgated under the authority of sections 178.892 to 178.896
57 shall become effective unless it has been promulgated pursuant to the provisions
58 of chapter 536. All rulemaking authority delegated prior to June 27, 1997, is of
59 no force and effect and repealed; however, nothing in this section shall be
60 interpreted to repeal or affect the validity of any rule filed or adopted prior to
61 June 27, 1997, if such rule complied with the provisions of chapter 536. The
62 provisions of this section and chapter 536 are nonseverable and if any of the
63 powers vested with the general assembly pursuant to chapter 536, including the
64 ability to review, to delay the effective date, or to disapprove and annul a rule or
65 portion of a rule, are subsequently held unconstitutional, then the purported grant

66 of rulemaking authority and any rule so proposed and contained in the order of
67 rulemaking shall be invalid and void.

68 7. No community college district may sell certificates as described in this
69 section after July 1, 2018.]
70

[178.896. 1. There is hereby established within the state treasury a
2 special fund, to be known as the "Missouri Community College Job Training
3 Program Fund", to be administered by the division of job development and
4 training. The department of revenue shall credit to the community college job
5 training program fund, as received, all new jobs credit from withholding remitted
6 by employers pursuant to section 178.894. The fund shall also consist of any
7 gifts, contributions, grants or bequests received from federal, private or other
8 sources. The general assembly, however, shall not provide for any transfer of
9 general revenue funds into the community college job training program fund.
10 Moneys in the Missouri community college job training program fund shall be
11 disbursed to the division of job development and training pursuant to regular
12 appropriations by the general assembly. The division shall disburse such
13 appropriated funds in a timely manner into the special funds established by
14 community college districts for projects, which funds shall be used to pay
15 program costs, including the principal of, premium, if any, and interest on
16 certificates issued by the district to finance or refinance, in whole or in part, a
17 project. Such disbursements by the division of job development and training
18 shall be made to the special fund for each project in the same proportion as the
19 new jobs credit from withholding remitted by the employer participating in such
20 project bears to the total new jobs credit from withholding remitted by all
21 employers participating in projects during the period for which the disbursement
22 is made. Moneys for new jobs training programs established under the provisions
23 of sections 178.892 to 178.896 shall be obtained from appropriations made by the
24 general assembly from the Missouri community college job training program
25 fund. All moneys remaining in the Missouri community college job training
26 program fund at the end of any fiscal year shall not lapse to the general revenue
27 fund, as provided in section 33.080, but shall remain in the Missouri community
28 college job training program fund.

29 2. The department of revenue shall develop such forms as are necessary
30 to demonstrate accurately each employer's new jobs credit from withholding paid
31 into the Missouri community college job training program fund. The new jobs
32 credit from withholding shall be accounted as separate from the normal
33 withholding tax paid to the department of revenue by the employer.
34 Reimbursements made by all employers to the Missouri community college job
35 training program fund shall be no less than all allocations made by the division
36 of job development and training to all community college districts for all projects.
37 The employer shall remit the amount of the new job credit to the department of
38 revenue in the same manner as provided in sections 143.191 to 143.265.

39 3. Sections 178.892 to 178.896 shall expire July 1, 2028.]
40

[620.470. As used in sections 620.470 to 620.481, unless the context clearly requires otherwise, the following terms mean:

2 (1) "Department", the Missouri department of economic development;

3 (2) "Fund", the Missouri job development fund as established by section
4 620.478;

5 (3) "Industry", an entity the objective of which is to supply a service or
6 the objective of which is the commercial production and sale of an article of trade
7 or commerce. The term includes a consortium of such entities organized for the
8 purpose of providing for common training to the member entities' employees,
9 provided that the consortium as a whole meets the requirements for participation
10 in this program;

11 (4) "Manufacturing", the making or processing of raw materials into a
12 finished product, especially by means of large-scale machines of industry.]
13
14

[620.472. 1. The department shall establish a new or expanding industry
2 training program, the purpose of which is to provide assistance for new or
3 expanding industries for the training, retraining or upgrading of the skills of
4 potential employees. Training may include preemployment training, and services
5 may include analysis of the specified training needs for such company,
6 development of training plans, and provision of training through qualified
7 training staff. Such program may fund in-plant training analysis, curriculum
8 development, assessment and preselection tools, publicity for the program,
9 instructional services, rental of instructional facilities with necessary utilities,
10 access to equipment and supplies, other necessary services, overall program
11 direction, and an adequate staff to carry out an effective training program. In
12 addition, the program may fund a coordinated transportation program for
13 trainings if the training can be more effectively provided outside the community
14 where the jobs are to be located. In-plant training analysis shall include fees for
15 professionals and necessary travel and expenses. Such program may also provide
16 assistance in the locating of skilled employees and in the locating of additional
17 sources of job training funds. Such program shall be operated with
18 appropriations made by the general assembly from the fund.

19 2. Assistance under the new or expanding industry training program may
20 be available only for industries who certify to the department that their
21 investments relate directly to a projected increase in employment which will
22 result in the need for training of newly hired employees or the retraining or
23 upgrading of the skills of existing employees for new jobs created by the new or
24 expanding industry's investment.

25 3. The department shall issue rules and regulations governing the
26 awarding of funds administered through the new or expanding industry training
27 program. When promulgating these rules and regulations, the department shall

28 consider such factors as the potential number of new permanent jobs to be
29 created, the amount of private sector investment in new facilities and equipment,
30 the significance of state funding to the industry's decision to locate or expand in
31 Missouri, the economic need of the affected community, and the importance of
32 the industry to the economic development of Missouri.]
33

2 [620.474. 1. The department shall establish a basic industry retraining
3 program, the purpose of which is to provide assistance for industries in Missouri
4 for the retraining and upgrading of employees' skills which are required to
5 support new investment. Such program shall be operated with appropriations
6 made by the general assembly from the fund.

7 2. Assistance under the basic industry retraining program may be made
8 available for industries in Missouri which make new investments without the
9 creation of new employment.

10 3. The department shall issue rules and regulations governing the
11 awarding of funds administered through the basic industry retraining fund. When
12 promulgating these rules and regulations, the department shall consider such
13 factors as the number of jobs in jeopardy of being lost if retraining does not
14 occur, the amount of private sector investment in new facilities and equipment,
15 the ratio of jobs retained versus investment, the cost of normal, ongoing training
16 required for the industry, the economic need of the affected community, and the
17 importance of the industry to the economic development of Missouri.]

2 [620.475. 1. The department shall establish an industry quality and
3 productivity improvement program to help industries and businesses evaluate and
4 enhance quality and productivity, and to encourage the private sector to develop
5 long-range goals to improve quality and productivity and improve the
6 competitive position of private businesses. The quality and productivity
7 improvement program shall include seminars, workshops and short courses on
8 subjects such as long-range planning, new management techniques, automated
9 manufacturing, innovative uses of new materials and the latest philosophies of
10 management and quality improvement. The program shall be available to
11 existing Missouri manufacturing, distribution and service businesses.

12 2. The department may develop quality and productivity improvement
13 centers at university and community college campuses throughout the state as the
14 demand and need is determined. The department shall have the authority to
15 contract with individuals who possess particular knowledge, ability and expertise
16 in the various subjects which may be essential to the program's goals. Seminars,
17 workshops, short courses and specific not for credit classes shall be developed
18 on and off campus for personnel engaged in manufacturing, distribution and
19 service businesses. At the discretion of the department, the University of
Missouri and Lincoln University extension services, the continuing education

20 offices of the regional universities and community colleges may be used for the
21 promotion and coordination of the off-campus courses that are offered.

22 3. Activities eligible for reimbursement in the industry quality and
23 productivity program shall include:

24 (1) The cost of seminars, workshops, short courses and specific not for
25 credit classes;

26 (2) The wages of instructors;

27 (3) Productivity materials and supplies, including the purchase of
28 packaged productivity programs when appropriate;

29 (4) Travel directly related to the program;

30 (5) Tuition payments to third-party productivity providers and to
31 businesses; and

32 (6) Teaching and assistance provided by educational institutions in the
33 state.

34 4. No industry receiving assistance under the industry quality and
35 productivity improvement program shall be reimbursed for more than fifty
36 percent of the total costs of its participation in the program.]
37

2 [620.476. Activities eligible for reimbursement by funds administered
3 through the new or expanding industry program and the basic industry retraining
4 program shall include: the wages of instructors, who may or may not be
5 employees of the industry; training development costs, including the cost of
6 training of instructors; training materials and supplies, including the purchase of
7 packaged training programs when appropriate; travel directly related to the
8 training program; tuition payments to third-party training providers and to the
9 industry; teaching and assistance provided by educational institutions in the state
10 of Missouri; on-the-job training; and the leasing, but not the purchase, of training
11 equipment and space.]

2 [620.478. 1. There is hereby established in the state treasury a special
3 fund to be known as the "Missouri Job Development Fund". The fund shall
4 consist of all moneys which may be appropriated to it by the general assembly
5 and also any gifts, contributions, grants or bequests received from federal, private
6 or other sources. Appropriations made from the fund shall be for the purpose of
7 providing contractual services through the department of elementary and
8 secondary education for vocational related training or retraining provided by
9 public or private training institutions within Missouri; and for contracted services
10 through the department of economic development for vocational related training
11 or retraining provided by public or private training institutions located outside of
12 Missouri; and for vocational related training or retraining provided on site, within
13 Missouri, by any proprietorship, partnership or corporate entity. Except for
14 state-sponsored preemployment training, no applicant shall receive more than
fifty percent of its project training or retraining costs from the development fund.

15 Moneys to operate the new or expanding industry training program, the basic
16 industry retraining program, the industry quality and productivity improvement
17 program and assistance to community college business and technology centers
18 shall be obtained from appropriations made by the general assembly from the
19 fund. No funds shall be awarded or reimbursed to any industry for the training,
20 retraining or upgrading of skills of potential employees with the purpose of
21 replacing or supplanting employees engaged in an authorized work stoppage.

22 2. The Missouri job development fund shall be able to receive any block
23 grant or other sources of funding relating to job training, school-to-work
24 transition, welfare reform, vocational and technical training, housing,
25 infrastructure development and human resource investment programs which may
26 be provided by the federal government or other sources.]
27

[620.479. The department is authorized to contract with other entities,
2 including businesses, industries, other state agencies and the political
3 subdivisions of the state, for the purpose of carrying out the provisions of
4 sections 620.470 to 620.481.]
5

[620.480. To efficiently carry out the responsibilities of the division of
2 job development and training and to improve job training program coordination,
3 the commissioner of administration shall authorize the division to directly
4 negotiate with and contract for job training and related services with
5 administrative entities designated pursuant to the requirements of the Job
6 Training Partnership Act and any subsequent amendments and any other agencies
7 or entities which may be designated to administer job training and related
8 services pursuant to any succeeding federal or state legislative or regulatory
9 requirements.]
10

[620.481. There is hereby created the "Missouri Job Training Joint
2 Legislative Oversight Committee". The committee shall consist of three
3 members of the Missouri senate appointed by the president pro tem of the senate;
4 three members of the house of representatives appointed by the speaker of the
5 house. No more than two of the members of the senate and two of the members
6 of the house of representatives shall be from the same political party. Members
7 of the Missouri job training joint legislative oversight committee shall report to
8 the governor, the president pro tem of the senate and the speaker of the house of
9 representatives on all assistance to industries under the provisions of sections
10 620.470 to 620.481 provided during the preceding fiscal year and the customized
11 job training program administered by the department of elementary and
12 secondary education. The report of the committee shall be delivered no later than
13 October first of each year. The director of the department of economic
14 development shall report to the committee such information as the committee
15 may deem necessary for its annual report. Members of the committee shall

16 receive no compensation in addition to their salary as members of the general
17 assembly, but may receive their necessary expenses while attending the meetings
18 of the committee, to be paid out of the joint contingent fund.]
19

2 [620.482. 1. The department may provide assistance, through
3 appropriations made from the Missouri job development fund, to business and
4 technology centers. Such assistance may not include the lending of the state's
5 credit for the payment of any liability of the fund. Such centers may be
6 established by Missouri community colleges, or a state-owned postsecondary
7 technical college, to provide business and training services in disciplines which
8 shall include, but not be limited to, environmental health and safety, industrial
9 electrical technology, machine tool technology, industrial management and
10 technology, computer consulting and computer-aided drafting, microcomputer
11 training and telecommunications training.

12 2. The department of economic development shall promulgate rules and
13 regulations as are necessary to implement the provisions of sections 620.470 to
14 620.482. No rule or portion of a rule promulgated under the authority of sections
15 620.470 to 620.482 shall become effective unless it has been promulgated
pursuant to the provisions of section 536.024.]

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